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SUBJECT: DECEMBER 11 MFA PRESS BRIEFING: SINOPEC IRAN DEAL,
TAIWAN, VIETNAM DEMONSTRATION, JAPAN, DALAI LAMA

11. Key points at the regular December 11 MFA Press
Briefing:

--Sinopec's Iran deal is a "business action" conducted
on bases of equality and mutual benefit. The Chinese
government does not need to comment on such a
commercial deal.

--Chen Shui-bian's UN referendum "seriously threatens
peace and stability across the Straits." Stopping the
referendum serves the common interests of the United
States and China.

--Anti-China demonstrations in Vietnam have undermined
friendly ties. China hopes to solve disputes over the
South China Sea through dialogue and negotiations.

--China denies removing reference to Renminbi
revaluation from its version of a joint statement
released December 1 at the close of the China-Japan
High-Level Economic Dialogue.

Sinopec Iran Investment

12. A Reuters journalist asked Foreign Ministry
Spokesman Qin Gang to comment on Sinopec's recently
announced investment in Iran's Yadavaran oil field and
on State Department statements of concern. Qin
characterized the deal as "business conducted by a
Chinese company on the basis of equality and mutual
benefit with Iran." The Chinese government does not
need to comment on such a "business action."

DAS Christensen Comments on Taiwan Referendum

13. Asked about EAP DAS Thomas Christensen's recent
remarks to Taiwan journalists, Qin said Chen Shui-bian
is disregarding the one-China principle by
"obstinately pushing forward his separatist
activities." The UN membership referendum "seriously
threatens peace and stability across the Straits."
Preventing the referendum, Qin said, will be
"conducive" to stability and "serves the common
interests" of China and the United States.

South China Sea, Vietnam Demonstrations

¶4. Referring to December 9 demonstrations in Vietnam opposing China's claims in the South China Sea, Qin said China has "indisputable sovereignty" over these waters. China is aware of Vietnam's claims and leaders from the two sides have exchanged views on the issue. China wants to solve the dispute through dialogue and negotiation to maintain stability in the South China Sea and in the interests of bilateral relations. "Some developments" in Vietnam undermine friendly relations and China is "deeply concerned." China hopes that the Vietnamese Government will take a "responsible attitude and adopt effective measures" to prevent the "undermining" of bilateral relations.

Wang Yi to Pakistan, No Comment on Nuclear Coop

¶5. Qin confirmed that Vice Foreign Minister and Special Envoy Wang Yi will visit Pakistan starting December 11. Wang will meet with President Musharraf and leaders of Pakistan's caretaker government. Asked about reports China intends to provide additional nuclear power plants to Pakistan, Qin said he has not heard of any such reports.

China-Japan Joint Statement Discrepancy

¶6. Several Japanese journalists asked Qin to comment on accusations China unilaterally deleted reference to

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Renminbi revaluation from the China-Japan joint statement. The statement was issued after completion of the December 1 China-Japan High-Level Economic Dialogue. Qin denied the statement was a "joint document" saying each side released its own version and it was "natural" that there would be some differences. He called upon Japan's media to handle the matter in a "calm and prudent" way. Qin denied the discrepancies in the Chinese version of the joint statement went against normal international practice. China's position on Renminbi revaluation was made clear by Vice Premier Zeng Peiyan during Zeng's keynote address at the Dialogue.

Visit of Japan PM

¶7. Asked whether the visit to China by Japanese Prime Minister Yasuo Fukuda may be delayed due to ongoing controversy in Japan over anti-terror legislation, Qin said Fukuda expressed to Chinese Premier Wen Jiabao during their Sydney meeting his desire to visit China by the end of 2007 or in early 2008. China welcomes Fukuda's visit anytime that is convenient for the Japanese side.

Nanjing Massacre Death Toll

¶8. A Japanese reporter commented that a Chinese museum dedicated to the Nanjing massacre quotes a death toll of 300,000 and that scholars in Japan disagree with that figure. Qin stated the 300,000 death toll is a historical figure and reflects the real history of Japan's aggression in China.

Tibet: Dalai Lama Wants to Restore Serfdom

¶9. A journalist asked Qin to comment on a report released December 10 by the Tibetan government-in-

exile blaming China for the erosion of Tibetan culture and economic degradation. Qin said he would not comment because the Tibetan government-in-exile "has said so many lies." The "Dalai Lama clique" continues to try to separate Tibet from China. Social and economic progress in Tibet is being made "day-by-day" and the only thing "damaged" is the "cruel and dark" system of serfdom that the Dalai Lama wants to restore.

Six-Party Talks

¶10. Qin confirmed that members of the Economic and Energy Working Groups will meet December 11-12 in Beijing. The ROK is hosting the meetings to discuss economic and energy assistance to the DPRK. Chinese Vice Foreign Minister Wu Dawei, Qin later added, will travel to Pyongyang next week for talks about the Six-Party process with DPRK Vice Foreign Minister Kim Kye-gwan.

Russian Presidential Election

¶11. Asked for China's comment on Russian President Vladimir Putin's decision to endorse First Deputy Prime Minister Dmitry Medvedev to be the next Russia president, Qin said the election was an internal affair. Deputy Prime Minister Medvedev is a "good friend of the Chinese people" who has contributed to the development of Sino-Russian strategic relations. China particularly appreciates Medvedev's involvement in organizing the "Year of China in Russia" program, Qin said.

EU-Africa Summit

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¶12. China welcomes the successful completion of the EU-Africa summit, Qin said. China has common interests with the international community, including the EU, to promote peace, stability and development in Africa.

Hollywood Movie Ban

¶13. Qin claimed no knowledge of reports that China would ban Hollywood films for several months starting in January 2008.

RANDT